THE FEMININE ENTREPRENEURSHIP IN ROMANIA AND NEW WAYS FOR ITS DEVELOPMENT

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ABSTRACT
The paper was based on Lipstick & Money, A Leonardo da Vinci – Transfer of Innovation project about the entrepreneurship mentality, female entrepreneurs’ personal characteristics/competences and motivation. In the first part a statistical overview about the Romanian labour market and female employment and management and women entrepreneurs on it was performed. Female mentality with regard to work and entrepreneurship was described based on literature review. Then, the main challenges of the LIMO implementation in Romania and also the main outcomes are exposed.

KEYWORDS: labour market, female employment, women entrepreneurship.

JEL CLASSIFICATION: I24, I25, J24, M12, M13

1. INTRODUCTION
The impact of the economic crisis on the labour market was a common concern to all European countries. It led to the growth of the unemployment rates affecting increasingly more people, especially unskilled people and certain disadvantaged groups (women, Roma, etc.). To mitigate this impact oriented and attractive education and training can be useful tools. Thus, new initiatives to meet specific issues of potential entrepreneurs are welcome. Young people and women represent categories of the population most targeted by them. Regarding entrepreneurship at EU level, there are considerable gender disparities, women representing the disadvantaged category. Also, there are significant differences between countries. Total women entrepreneurs in EU were only 31% of all entrepreneurs. This figure was even lower in Romania, where the percentage of women entrepreneurs in the total active labour force was about 13% against 26% representing the percentage of the men entrepreneurs. The highest percentage of women entrepreneurs has been found in Lichtenstein (43%), and the lowest in Malta (18%) (Statistical Data on Women Entrepreneurs in Europe, September 2014, p.7-8, retrieved from http://ec.europa.eu/DocsRoom/documents/7481/attachments/1/translations).

2. STATISTICAL OVERVIEW
2.1. The Romanian Labour Market
A proper labor market remains a challenge in Romania. A key issue to be solved is the meeting of the EU requirements by the Romanian perspective. In Romania there are some specific factors having a negative impact on employment: an inappropriate institutional capacities, some
deficiencies in basic skills gained by the young people during their compulsory education, some disparities between the qualifications offered by the education system and the labor market requirements, a difficult transition from school to the workplace (poor practice that causes lack of experience), a low rate of participation in adult education system. 

The global economic crisis had a strong impact on the labor market in Romania. A major effect of this was a severe decrease in the number of jobs. On the other hand, many people working outside the country were forced to return because all European economies have also been affected because of the crisis. Thus, during January 2009 - April 2012 530,000 stable jobs were lost in the Romanian economy. During May 2012 - November 2013 80,000 new stable jobs were created.

Figure 1 shows the evolution of the unemployment rate in Romania compared to the EU-28, during 2008-2014. Thus, it appears that the unemployment rate in Romania is below the level recorded in the EU. Also, the growth rates of the unemployment rate are lower in Romania than in the EU. The largest gap between Romania and the EU was registered in 2013 (3.8%).

![Figure 1. Unemployment rate in Romania vs. EU-28, 2008-2014](image)

*Source: Based on Eurostat (lfsa_urgan)*

During the analyzed period, in Romania, the unemployment rate was around 7%, except for 2008, when the lowest level in the entire period (5.6%) was registered. The evolution of the unemployment rate in Romania followed the general trend at the EU level, except in 2012, when it fell in Romania and an increase was registered at the EU level. According to data released by the National Institute of Statistics (NIS, 2016) in the age group 20-64 years, in 2014, the employment rate in Romania was 65.7%, up 1% compared to 2013 and at a distance of 4.5% compared to the national target of 70% set in the context of the Europe 2020 Strategy. In addition, some discrepancies between some specific demographic categories were registered. Thus, the young people employment (20-29 years) was among the lowest in the EU. There is a high number of young people who are not employed and are not participating in education and training activities. Still, there is an important share of old people working in subsistence agriculture.

In order to solve these problems, all EU countries, including Romania, have sought new solutions, such as the initiation of training programs dedicated to specific demographic categories (young people, women, people aged over 50 years), and the development of new professions/jobs (e.g. green jobs, jobs in business development, IT).

2.2. Female employment on the Romanian labour market

Increasing the employment rate in general and the employment rate of women, in particular, represents a real concern in Europe. According Eurostat (l2020_10), statistical indicators reveal
a gap between the European employment rate for men aged 20-64 (75%, in 2014), and the employment rate of women (only 63.5%, in the same year). In Romania, in 2014, the difference between the two genders was about 1.2% (7.3%, for men and 6.3%, for women, less than in 2013).

Figure 2 shows, comparatively, the evolution of the unemployment rate by gender, in Romania and the EU-28 during 2008-2014. Bigger differences between the two genders are observed in Romania, unlike the EU-28. By age, in 2014, for the age groups 25-34, 35-54 and 55-64, a higher unemployment rate was recorded among men than in the case of women. At 15-24 years, female unemployment was above that of men. The differences between rural and urban need also to be mentioned. Thus, in the rural areas of Romania, over 53% of the female workforce is employed in agriculture, demographic categories representing one of the most deprived in Romania. There are still rural areas where women live and work in an archaic mode, having limited access to information, which reduces their chances of improving economic and social conditions.

![Figure 2. The evolution of the registered unemployment rates divided on gender, 2008-2014](image)

*Source: Based on Eurostat (lfsa_urban)*

Age is also an important issue to be taken into account in analyzing the position of women in the labor market: „for […] Romanian […] women the age regression coefficients are positive, meaning an increase of the hazard of exit to a job, comparing with the oldest group, 55-65 years. Duration of unemployment is the longest for this group too. […] for young Romanian women aged in between 15 and 24 years old the hazard rate of exit to a job is lower than the 25-34 years group. Several reasons can be behind this result: high incidence of youth unemployment in Romania, young age can be related with unfinished or a poor education and rural women at this age usually become mothers. […]. Very young Romanian unemployed women are most prone to exit from unemployment due to expiry of the legal period for UI, or in inactivity.” (Danacica, 2012)

2.3. Female management on the Romanian labour market

Regarding the presence of women in leadership positions worldwide, a weak representation of them can be observed, the proportion of senior business roles held by women being 22% in 2015. Also, there are differences between countries. Thus, according to a study published in 2014 by the ILO, “in just four countries women represent over 20 per cent of board members (Finland, Sweden, Norway and United Kingdom); in 13 countries between 10 and 20 per cent; in 14 countries between five and 10 per cent and in 13 countries less than 5 per cent.” The same
study showed that, in 2012, Romania was ranked the 24th worldwide, in terms of the percentage of senior and middle-level managers who are women (31.1%) (ILO, 2014, p.10, 21, Women in Business and Management. Gaining Momentum, retrieved from http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_334882.pdf).

Regarding the level of education, in Romania, the total number of women with higher education and exercising intellectual professions, the women managers represent the lowest proportion. Thus, an EUROSTAT study (March 17, 2013) showed that only 31% of managers were women. Business sectors in which women in Romania have succeeded in building management careers are: Consumer Products and Services, Financial Services, Professional Services, Industrial, Life Sciences and HealthCare, Government, Education and Non-Profit etc. Another issue that, in Romania, makes the management positions more difficult to be reached by women, is the one related to their family responsibilities, especially those related to children’ raising.

2.4. Women entrepreneurs on the labour market
In recent years, both worldwide and in Romania, women began to engage increasingly more in business. The European Union encourages female entrepreneurship. Thus, during the conference “The Woman” (March 2015 Cluj-Napoca), it showed that, in the year 2014, in Romania, 35% of SMEs were managed by women and 11% were owned exclusively by women. Most business initiatives of women (46%) were in the commercial field (over 24,100), how the KeysFin study showed. In second place (20%) were commercial business services, human resources, training, accounting, and beauty and cosmetics area.
In Romania, in 2014 for a total of 871,264 companies, more than 217,000 women were the major shareholders. Thus, 38% of new enterprises were founded by women, according to the National Statistics Institute (2016). About 78% of women entrepreneurs in Romania have a university degree, compared with 74% of men. The average age of women entrepreneurs is 44 years, being less by 0.6 years compared to that of men.
Regarding the demographic environment, the percentage of enterprising women is higher in the urban medium than in the rural one, despite of the fact that women from rural areas represent more than a half from the total inactive population, most women dingo business in Bucharest. It is worth mentioning that, in Romania, compared to other European countries, there are fewer programs to encourage women to get involved in business.

3. FEMALE MENTALITY WITH REGARD TO WORK AND ENTREPRENEURSHIP

Europe 2020 Strategy on employment, together with guidelines and programs on employment, was designed to contribute to both economic growth and create new jobs - especially for women. Thus, in current circumstances, women become more vulnerable, with a higher risk of becoming unemployed, regardless of country and sector.
In Romania, there are significant differences between the registered unemployment rates by gender - i.e. in 2014, the unemployment rate for men was 7.3% versus 6.1% for women. The fact that, after the crisis in 2008, the construction sector, where many men operate, strongly declined, explains the difference between the two figures (1.2 percentage point). Also in 2014, the unemployment rate was higher among males compared to women in the age groups 55-64 years, 35-54 years, 25-34 years and higher among women compared to men, in the 15-24 age category years (24.7% in women compared to men 23.6%) (The synthesis of the financial audit
reports on the annual execution account of the unemployment insurance budget for 2014 the National Agency for Employment, p. 9).

Given this last fact, in order to reduce the unemployment rate among young women, they should be self-employed. Choosing to become a freelancer for a woman is not an option that depends only on their skills and capabilities (internal factors), but also by external factors.

In context of the external factors, three categories of policies should be mentioned:

- **Economic policies** - aiming to support entrepreneurs, by projects, programs, consultancy and financial systems;
- **Policies aiming to protect and support the family and family planning** - the moment when a woman decides to become a mother is very important, both for her and for society;
- **Specific support policies for childcare** - ensuring the child-care facilities would allow women to better organize their free time and earlier returns to active careers.

“Women’s entrepreneurship is both about women’s position in society and the role of entrepreneurship in the same society. Women are faced with specific obstacles (such as family responsibilities) that have to be overcome in order to give them access to the same opportunities as men. Also, in some countries, women may experience obstacles with respect to holding property and entering contracts. Increased participation of women in the labour force is a prerequisite for improving the position of women in society and self-employed women.” (Women’s Entrepreneurship: Issues and Policies, OECD, Organisation for Economic Co-operation and Development, 2004, p.6)

A study conducted in 2008 by the European Commission identified the main barriers facing by the women entrepreneurs:

1. “Contextual obstacles: educational choices, traditional views and Stereotypes about women, science and innovation;
2. Economic obstacles: innovation sector requiring substantial investment Credible and women being seen less financially than men;

Related to contextual obstacles, there are clear differences between European countries in business culture, mentality, and cultural values. Globalization has led to interculturalism.

This resulted in “importing” cultural models of manpower in the “new” countries. Often cultural and social values of the new country were not considered. Both cultural values of the new country and the imported cultural values are important for business.

"In a globalized business environment, in order to avoid huge mistakes, it is important to know what are the cultural traits of a specific area and characteristic features of the entrepreneurs and labour force” (Sima et al., 2008).

In Romania, we can not talk about discrimination at the institutional level, even if there are certain situations in which women are disadvantaged. Thus, women are less paid than men for the same type of responsibilities. Top and middle management positions in companies (public and private) are mainly offered to men, even for the same qualification level. Women are underrepresented as entrepreneurs; men still dominate this area.

Regarding equal opportunity, women are allowed free access to education, to vote. Also, they can choose a wide range of professions and have access to public service. Organizations led by women have specific characteristics. Thus, they are mainly financed by own resources rather than bank loans. Also, businesses started by women are small, being usually “family business”.

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The initial number of employees is small and there's a tendency to retain them instead to make new hires. Often, they have left management positions in multinational companies and became women entrepreneurs by developing their own hobbies.

The above mentioned study, conducted by the Register of Commerce, Ministry of Finance and the consulting firm “KeysFin” in 2014, showed that, in terms of business sector, most of the companies led by women were acting in the retail sector (over 24,100), transport and storage of wine (9281), consulting and management (8854).

As compared with men, women entrepreneurs dominate in health and social assistance (59%), private households (67%) and other services (52%). The share of men and women is almost equal in education (49% of businesses are headed by women), financial services (46.7%), professional (44.4%), trade (43.6%) and hotels and restaurants (42.6%). Most of the companies led by women are acting in non-food sales (7.571), construction (6458), accounting and auditing (5891), bars and beverage serving (4837) and restaurants (310), hairdressers or beauty (3913). Regarding the demographic environment, most women prefer to do business in major cities: Bucharest (47,118), Cluj (11,842), Timis (9797), Constanta (9401 companies), Prahova (7,654) and Ilfov (6984).

In brief, according to KeysFin analysts, “eight in ten women doing business in Romania have higher education and are specialized in the respective areas, from trade to accounting, health, and beauty shops. Data shows a greater level of professionalism among the ladies, a strong focus on areas with high business potential, businesses which involve direct activity with customers, but also economic segments requiring detailed economic analysis, such as tax advice.” (http://www.romania-insider.com/how-many-women-do-business-in-romania-and-in-what-areas/)

According to the National Office of Commerce Registry, in 2016, “over a third of Romanian entrepreneurship is of feminine gender. There are not a few women entrepreneurs. There are over 245,000 companies in Romania led by women. This business stories end by creating new workplaces, not a few – over 740,000.” (http://ccir.ro/2016/03/30/the-romanian-womens-business-the-current-economic-realities-and-challenges-of-women-discussed-at-the-chamber-of-commerce-and-industry-of-romania/)

4. FROM THEORY TO PRACTICE THROUGH A TRANSFER OF INNOVATION PROJECT - LIPSTICK & MONEY (LIMO)

4.1. Short presentation of the LIMO Project

The overall goal of the Lipstick & MONEY (LIMO) project was to transfer, adapt and implement a training program for women entrepreneurs.

LIMO aimed to gather information about specific features of women's entrepreneurship, namely, mentality, characteristics, motivation.

The main outcome of the project is to enhance learning and information for women entrepreneurs. The tools developed by the project are the building of a dedicated website and the production of handbook containing useful information and tools for starting a new business. (Lipstick & Money, A Leonardo da Vinci – Transfer of Innovation project, Report about the entrepreneurship mentality, female entrepreneurs' personal characteristics/competences and motivation; as well as the possibilities of implementing the training course for female entrepreneurs in the public vocational education and training systems in the participating countries retrieved from http://www.adam-europe.eu/prj/10807/prj/RAPPORT%20(WP1).pdf)
4.2. Characteristics of female entrepreneurs in Romania. Profile of the female candidates

Most often mentioned features of a of a ideal profile of the women entrepreneur are: determination and perseverance, desire to win, looking for feedback, ability for problem-solving, sense of urgency, persistent orientation towards opportunities, tolerance for failure, spirit of initiative, high degree of responsibility, self-confidence and optimism, emotional stability, determination for vision accomplishment, high level of energy, creativity and spirit of innovation, independence, comprehensive awareness, leadership, managerial skills, interpersonal relationships.

“A dominant characteristic of entrepreneurs is their belief that they are smarter than their peers and superiors. They have a compelling need to do their own thing in their own way. They need to choose and to act according to their own perception of what actions will result in success. Entrepreneurs have a considerable amount of self-control and can handle business pressure. They feel comfortable in stress situations and are challenged rather than discouraged by setbacks or failures. Entrepreneurs tend to handle people problems with action plans without empathy. […] Entrepreneurs are self-confident when they are in control of what they are doing […] They tackle problems immediately with confidence and are persistent in their pursuit of their objectives. […] Entrepreneurs have a never-ending sense of urgency to develop their ideas. Inactivity makes them impatient, tense and uneasy. Successful entrepreneurs can comprehend complex situations that may include planning, making strategic decisions, and working on multiple business ideas simultaneously […]. Entrepreneurs possess the ability to identify relationships quickly in the midst of complex situations. They identify problems and begin working on their solutions faster than other people […] accept things as they are and deal with them accordingly […] Successful entrepreneurs find the fulfilment of their status needs in the performance of their business […] Entrepreneurs with good interpersonal skills will be able to adjust and survive as their organization grows and becomes more structured.” (Sima et. al., 2008)

A realistic profile of the women entrepreneur should take into account individual characteristics: age, level of education, knowledge, skills, experience, motivation, personality. Also, the socio-cultural environment must be considered: the degree of the entrepreneurship development, economic level, the desired type of business.

According to the study conducted by Hordau and Pop Sitar (2009, p. 368), the women entrepreneurs profile requires marriage, children, middle or high education, devotion to the business and the strength to overcome barriers, and lack of interest in politics. The involvement of women in different economic sectors in Romania more than the European average can be explained by the previous national history and a continued participation of women in the labor market. Regarding wage differences, they still exist, although, according to the National Statistics Institute, from 1991 to 2006, they have decreased from 28.4% to 9.9% (ibid, 369).

According to a study conducted by Moore and Buttner (1997), the classical prototype of women entrepreneurs is a single owner expanding domestic services market. The prototype of the modern woman entrepreneur considers a successful career in industries traditionally dominated by men as a determining factor.

According to the study conducted by Saari and Trihopoulou (1997 cited in Saari and Trihopoulou, 2005), women start later than men to do business, usually after they have fulfilled their family obligations. However, the number of young ladies, and those aged between 46 and 54 years old who start their own business is growing.

4.3. LIMO implementation in Romania

The object of the transfer of innovation was a training program for female entrepreneurs, developed by East Belfast Enterprise. The program was used for training of over 145 women
in the Belfast area and embraced 3 key areas, e.g. enterprise education, personal development and gaining a qualification. The training was practical, interactive and skills based in order to enhance individual CVs and competences. E.g. Enterprise challenge event, business visits and role model presentations.

In the actual Lipstick & Money project, the training program developed in Belfast was improved and adapted to the needs and characteristics of the participating countries, namely Denmark, Romania, Germany, Spain and UK.

Combining a unique & interactive approach, the project offered:

- A personal development and entrepreneurship course to help you learn the basics
- Fun group sessions – making a product to sell, e.g. jewellery, textiles, crafts
- Training and support to help you start your own business
- An exciting opportunity to meet and hear from other women who have started a business
- The opportunity to work as a team and run your own business event
- A change to enlarge your network and share experiences

Starting from the program developed in Belfast, a program has been developed, adjusted to the needs of female entrepreneurs in Romania.

The program was tested on a number of 12 students from the Faculty of Tourism and Services, in the period 10/10/2014 to 10/01/2015.

The methodology of the training program consists of traditional and interactive methods used to deliver the lecture support developed within the project and adjusted according to the competencies and necessities of the target group and to the specific of the PGU as an academic educational institution.

The program contained the following modules:

Module 1: Personal development
Module 2: Entrepreneurial skills: introduction to entrepreneurship
Module 3: Marketing and market research
Module 4: Business ideas: Success women
Module 5: Introduction into establishment and business development
Module 6: Planning a business
Module 7: Introduction to the business financial management
Module 8: Getting to know the consumer
Module 9: Introduction to managing a business by means of simulation.

The participants in the Romanian piloting were interested in:

- Identifying financial resources
- Accomplishment of the feasibility studies
- Knowledge about the economic legislation focusing on tax issues
- Acquiring a minimum of knowledge regarding:
  - Environment protection
  - Labour legislation
  - Consumer protection and intellectual property
  - Developing and maintaining business networking.

The main possibilities of improvement pointed out by the students were:

- Sales Chapter:
  - Introducing a section dedicated to the types and styles of communication within business relationships

- Market Research Chapter:
  - Some information about the difference between potential and real market should be included
o The courses connected with the legal aspects were adapted to the legislation in Romania and the approach of the financial regulations was explained taking into account the fact that in Romania a person developing a business plan has to collaborate with an expert in accountancy.

Some barriers in implementing the project were identified:
1. Material conditions; big bureaucracy;
2. The level of entrepreneurship education lower than in other countries;
3. There is no great support from the local administration.

5. CONCLUSIONS

Regardless of the business field, the activity of women entrepreneurs constitutes an important source of economic growth, still insufficiently exploited. Also, women entrepreneurs are a minority in the total Romanian entrepreneurs. At the central and local level, the share of women in decision-making is lower compared to men. But in private business, they are more active and have great potential.

Even if there are some gender differences in the entrepreneurship field, there is not a strong competition between women and men.

The development of the businesses run by women has an increasing rhythm. This development is based on practical reasons of women to support themselves or to contribute to the family budget. Currently, many women decided to work on their own to increase their quality of life.

“As the small businesses grow, there is also a slower process, but no less interesting, forming a collective mentality on business women.” (On, 2009).

Natural abilities of women entrepreneurs are recognized harder, but open. They are capable of:
- Coordinate the work of others;
- Adapt to environmental conditions;
- Teamwork and develop networks;
- Good negotiations.

LIMO project results have highlighted some of typical characteristics of women entrepreneurs:
- Age between 30-40 years;
- High level of education;
- Work experience of over 8 years.

The main challenges of the project were:
- To attract women of all ages;
- To strengthen women's knowledge about business;
- To bring them closer to social media;
- To strengthen their self-confidence.

ACKNOWLEDGMENT

This paper presents some results of the project “LIPSTICK & MONEY”, a Leonardo da Vinci – Transfer of Innovation project, project leader: Pia Sebelin, Business Academy Southwest, Spangsbjerg Kirkevej 103 DK - 6700 Esbjerg and Romanian coordinator, Cristina Gafu, Ass. Prof. “Petroleum – Gas” University of Ploiesti, Romania.
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